



North Carolina Department of Health and Human Services
Division of Budget and Analysis
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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

James B. Slate, Jr., Director

October 9, 2006

MEMORANDUM 2006-08

TO: Division Directors
Office Directors

FROM: Jim Slate

SUBJECT: Allocation of Non-recurring Prior Year Earned Revenue (PYER)
Negative Reserve

In Senate Bill 622, the legislature made a budget reduction in DHHS by having the Department budget \$7,000,000 of prior year earned revenue. In the 2005-06 certifications, a negative amount was certified in the budget of Central Management & Support (Budget Code 14410). The purpose of this correspondence is to allocate the reduction to eliminate the reserve.

The attached schedule presents the allocations of \$7,000,000 for your respective Divisions. The basis for the allocation is the net amount of action prior year earned revenue remaining after providing for the amount of PYER in the Certified Budget plus the impact of the second year budget revisions reflecting PYER. Divisions having less than \$20,000 of PYER were excluded from the allocation. The Division of Mental Health/DD/SAS has been excluded because of critical needs identified and presented to the Secretary. Central Management and Support has been excluded due to budgetary requirements which exceed the availability.

Please have your division budget officer initiate a type 11 budget revision transferring appropriation as identified on the attached schedule to budget code 14410. CMS will do a budget revision to budget the anticipated appropriation from your Divisions. Please have these revisions submitted to this office by October 30. These budget revisions should not be included in the Worksheet I for 2007-09.

Please contact your budget analyst in this office if you have questions.

JS:AM:gg

Attachment

cc: Dan Stewart
Allen Dobson, MD
Jackie Sheppard

Daphne Lyon
Aleta Mills

B&A Budget Analysts
Division Budget Officers